

DISPATCH		CLASSIFICATION	DISPATCH SYMBOL AND NO. RAVA-28727
TO Chief, EE		HEADQUARTERS FILE NO. 6-126-21/3	
FROM Chief of Station, Austria	DATE 27 October 1961		RE "45" - CHECK T ONE
SUBJECT GROOVY/KUCAGE [] Changes	MARKED FOR INDEXING		NO INDEXING REQUIRED
ACTION REQUIRED		INDEXING CAN BE ADDED BY QUARTER DESK ONLY	

REFERENCE(S)

Dr. OTTO Schulmeister

1. Under separate cover we have forwarded a true name report on []'s termination of his connection with GRSFINAL-2. After hearing him out, we asked him what chances there were of finding a successor in the ranks of the GRSFINAL-2 staff. He stated that although the new editor would never agree to the kind of contact which has existed between ourselves, he is perfectly willing to act as a go-between and introduce [] to the new editor. He warned that we should develop him cautiously and treat him with care, since he tends to become frightened by anything which smells of secrecy, and sees all kinds of dark sinister forces behind anything which is being hidden. Yet [] is convinced that he will much appreciate any guidance or assistance and background material which we can give him and that after some time he would voluntarily be willing to cooperate with us in anti-Communist resistance.

2. With this final act, unless the subject of [] becomes a reason for contact, the long association of [] on a regular basis is ended. We should continue to keep a file on him and wish Headquarters to keep clearance for contact available to us. Only if absolutely required will we continue Progress Reports on the contact which, after the last receipt for [] is signed, will become primarily social.

24 October 1961

ATTACHMENT: USC
True Name Report (2 copies)

Distribution:
2 - Chief, EE w/Att.
1 - Registry
1 - GRSFINAL FILE

MHC/crk

P.S.

Although the purchase of the paper is [], we plan to pick up at the old contact, at least not at the present.

**1 sec
Attachment**

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
ADDRESS METHOD USE ONLY
DATE 10-10-2000

24 - 1000-1500

SUBJECT: Fritz MOLDEN's Sale of DIE PRESSE

1. For AS 12,000,000 Fritz MOLDEN sold the name and the publishing rights to DIE PRESSE to Fred Ungart of the International Werte Gesellschaft (IWG). The sales contract requires Ungart to continue to employ the same staff, to make no changes in the independent policy of the newspaper and to continue printing in the MOLDEN printing house. MOLDEN was faced with a decision as to whether to bring a partner into his publishing house or to sell the paper. He needed some liquid capital in order to finish the construction of his new publishing house. ~~MOLDEN~~ had been losing approximately AS 4,000,000 a year which MOLDEN has been able to absorb in his printing business. Under the sales contract MOLDEN will receive AS 2,000,000 more per year than he charged himself for the printing of DIE PRESSE. This means that his income will be about AS 6,000,000 more per year. With this increased income and the sales price of AS 12,000,000, he will be well over the hump financially. MOLDEN is happy that he was able to sell the paper to UNGART with the reservations mentioned above. UNGART has been absorbing the losses for the Tageszeitung for some years. He now plans to cease printing the Tageszeitung and pick up the subscriptions and add them to the circulation of DIE PRESSE. UNGART is also convinced that DIE PRESSE has a greater potential for advertising than has been exploited up until now. UNGART has promised to keep the newspaper free of People's Party ties.

2. Now that the sale is completed, MOLDEN finds himself with time on his hands. He still plans to go to New York via Paris in November. However, when he gets to New York he will not attend the General Assembly but will simply visit with friends for a week. After New York he may go to the Bahamas for another week and then either back to New York or on to India and return around the world. Some time in January he will be back in Vienna.

3. MOLDEN is pleased that the new Chief Editor will be Otto SCHULMEISTER. He is a good journalist, a strong conservative in his political views who will keep DIE PRESSE much as it has been in the past. The staff is to remain but it is possible that Klaus BÄTTERER will leave. SCHULMEISTER believes the Neue Zürcher Zeitung to be the ideal newspaper but now that he is Chief Editor, he will have to sell DIE PRESSE and realizes that news is as important as comment. SCHULMEISTER has been critical of the paper's Berlin policy. He thought it was not tough enough. SCHULMEISTER has been with the paper sixteen years and is fully reliable and a known quantity.